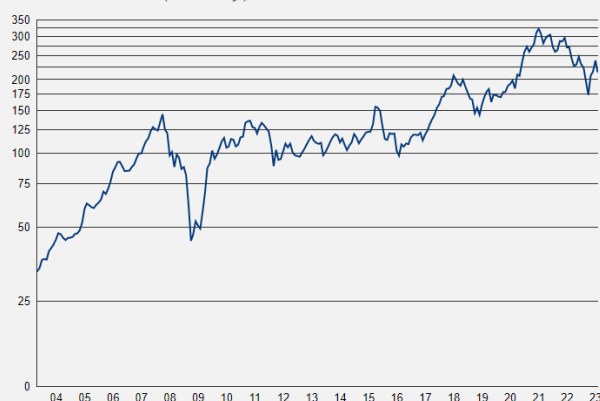


Figures as of	February 28, 2023
Net Asset Value	USD 213.98, CHF 156.53, EUR 258.24
Fund Size	USD 206.00 million
Inception Date*	May 27, 2003
Cumulative Total Return	550.6% in USD
Annualized Total Return	9.9% in USD

\* The track record is the combination of two consecutive track records of China Investment Corporation (CIC) and HSZ China Fund (HCF). From May 27, 2003 to November 17, 2006, it is the performance of CIC, a trust account managed by HSZ (Hong Kong) Limited for listed Chinese equities. Since the launch of HCF on November 17, 2006 it is the performance of HCF.




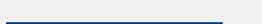
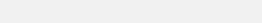
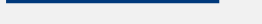
Net Asset Value (Monthly)







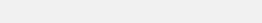
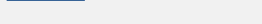
### Performance

	February	YTD	1 Year	May 2003
USD Class	(10.7%)	(0.7%)	(20.9%)	550.6%
CHF Class	(9.7%)	1.0%	(19.5%)	361.1%
EUR Class	(8.9%)	(0.2%)	(16.4%)	615.0%

### Largest Holdings

Ping An	7.3%	
Longi Green Energy	6.5%	
Midea Group	6.3%	
Luxshare Precision	6.1%	
Haitian Flavouring	6.0%	
TSMC	5.9%	

### Exposure

Consumer Discretionary	24.0%	
Information Technology	22.3%	
Industrials	20.3%	
Consumer Staples	12.9%	
Financials	7.3%	
Cash	1.5%	

## Newsletter February 2023

- China's factory and services activity continued to recover
- HSZ China Fund's performance was down 10.7% in February
- Alibaba delivered solid earnings growth for the December quarter
- Luxshare Precision revealed the next five-year plan
- Yum China top beneficiary of reopening among peers

China's factory and services activity continued to recover. China's official manufacturing purchasing managers' index (PMI) increased from 50.1 in January to 52.6 in February, while the non-manufacturing gauge rose from 54.4 in January to 56.3 in February. The relaxation of strict coronavirus containment measures has helped restoring business operations and customer demand. Combined with the fading impact of lunar new year in February, the post-Covid recovery gained steam and sent factory output growth to its highest level since June 2022.

HSZ China Fund's performance was down 10.7% in February. The biggest positive contribution came from our holdings in the consumer staples sector, namely Haitian Flavouring. The largest negative contribution came from our holdings in the consumer discretionary sector, namely China Education Group and Alibaba Group.

Alibaba delivered solid earnings growth for the December quarter. The Chinese e-commerce leader reported net income CNY 49.9 billion for the December quarter, an increase of 12% year-over-year, mainly driven by narrowed losses from new business lines such as Freshippo and Taobao Deals. While the consumption recovery theme takes time, management has seen an improvement in consumer sentiment since early February with a return to positive gross merchandise volume growth over the past few weeks.

Luxshare Precision revealed the next five-year plan. The Chinese leading manufacturer of cables and connectors for consumer electronics shared details of its vision and targets for the automotive and communications businesses on a recent investor day. With the shortened development cycle for electric vehicles and the rise of Chinese vehicle brands, Luxshare sees significant opportunities from the automobile wiring harness and connector businesses. Leveraging its electronic components business, Luxshare's strength in digitalized and automated production and management systems could become a secret weapon to make an inroad against the Japanese leading players into the automobile sector.

Yum China top beneficiary of reopening among peers. In February, Yum China reported its fourth-quarter results for 2022, beating investors' expectations. Despite revenues dropping 2% year-over-year, caused by Covid lockdowns and infections, the company's restaurant margin expanded to a new high of 14.1%. With China's strict Covid policies behind, Yum China's expanding efforts during Covid could finally pay off in the coming quarters.

## General Information

### Investment Opportunity

Once the world's largest trading power, China's gradual decline during the second millennium culminated in the Maoist purgatory. However, since the 1980s economic development has taken center stage. China has become the engine of the fastest growing region in the world attracting substantial foreign investments and developing into the world's manufacturing hub. Furthermore, an increasing middle class is fueling demand for consumer products. The growth momentum is set to continue as China strives to catch up with mature economies, producing attractive investment opportunities.

### Investment Strategy

The objective of HSZ China Fund is to create sustained shareholder value by acquiring and managing equity and equity-linked investments in a select number of high-quality companies that are rooted in China. At least two-thirds of the total assets are to be invested in companies which are domiciled in China or participate as holding companies in enterprises domiciled there. At most one-third of the total fund volume can be invested in equity-oriented stocks and money market instruments of issuers worldwide. Based on fundamental analysis and a bottom-up approach, investment opportunities are identified that are assessed to provide above-average return on invested capital, have strong earnings per share growth and are priced attractively.

### Risk Management

The Chinese stock market has many of the risks and characteristics of emerging markets. HSZ (Hong Kong) Limited exerts itself for reducing specific risks by accurately screening and monitoring high quality assets. That is why the long-lived experience of its specialists based locally is invaluable for investors. The fund is well diversified to avoid concentration risk. The weight of each position in the portfolio is subject to a maximum limit of 15%. No portfolio leverage is employed. The fact that HSZ China Fund invests in listed equity provides the investor with a reasonable degree of liquidity.

### Investment Manager

HSZ (Hong Kong) Limited is a Hong Kong based independent investment management company. Its investment team has been managing Asian equity portfolios since 1994.

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Name	HSZ China Fund
Theme	Entrepreneurial China
Nature	Long-only equity fund, actively managed
Focus	Listed Chinese equities focusing on privately controlled companies

Structure	Swiss investment fund, regulated by FINMA, open-ended
Distributions	Income annually
Fiscal Year End	December 31
Reporting	Semi-annually in USD
Currency Classes	USD, CHF, EUR (all unhedged)
Trading	Daily issuance and redemption, based on net asset value

Fund Manager	FundPartner Solutions (Suisse) S.A.
Custodian Bank	Banque Pictet & Cie SA
Investment Manager	HSZ (Hong Kong) Limited
Auditors	PricewaterhouseCoopers AG

Management Fee	1.35% annually
Performance Fee	10% above hurdle rate of 5%, high water mark
Issuance Fee	None
Redemption Fee	None

USD Class	ISIN CH0026828035, Valor 2682803 WKN A0LC13 Bloomberg HSZCHID SW Equity
CHF Class	ISIN CH0026828068, Valor 2682806 WKN A0LC15 Bloomberg HSZCFCH SW Equity
EUR Class	ISIN CH0026828092, Valor 2682809 WKN A0LC14 Bloomberg HSZCHEU SW Equity

Orders via Banks	Banque Pictet & Cie SA Client Services Tel: +352 46 71 71 7666 Email: pfc.lux@pictet.com
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